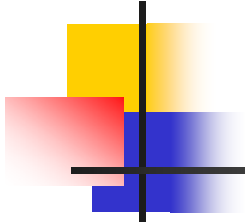


Domestic Origin Verification Audit Program (DOV)



April 2006



This an overview of the audit program for verifying the domestic origin of products delivered to the USDA, Agricultural Marketing Service for the Commodity Procurement Branch fruit, nut, and vegetable purchases.

The audit program is called the “Domestic Origin Verification” (DOV) Audit Program.

It is an alternative to your current trace-back procedures.

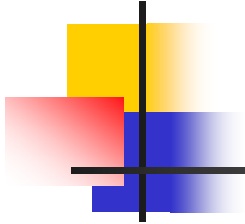


WHAT IS THE ALTERNATIVE?

To meet the USDA, Agricultural Marketing Service, Commodity Procurement Branch domestic origin requirement, each contractor, subcontractor, supplier, or processor that provides fruit, nut, or vegetable components or products has a CHOICE of either:

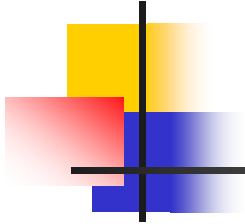
1. Trace-back for EVERY contract and commodity for every facility, or
2. The DOV Audit Program.

WHAT IS DOV?



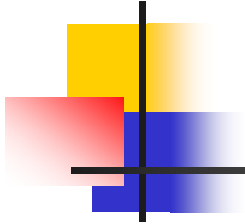
- **DOV is an audit based program. It has been developed to audit rather than check every piece of paper.**
- **It uses the contractor's, subcontractor's, processor's or supplier's (entities) domestic origin verification processes to ensure that all product sold to the USDA is of domestic origin.**
- **Currently, under the existing trace-back requirement, all entities should already have procedures or a system to ensure domestic origin to meet the current USDA contract requirement. DOV is a way to easily explain the procedures and processes.**

WHAT ARE THE OBJECTIVES?



- DOV program participation decreases the number of traces submitted to the USDA and decreases their redundancy.
- It assists the industry in improving its domestic origin verification procedures to decrease its vulnerability.
- It enhances the participant's management of their domestic origin verification process.

WHO IS ELIGIBLE TO PARTICIPATE?



- Any financially interested entity (contractor, subcontractor, supplier, or processor) providing fruit, nut, or vegetable components or product to the USDA may request the DOV Audit Program service.
- The DOV program may be used by ALL entities whether or not they handle imports, request lot inspection or receive in-plant inspection.

WHAT ARE THE STEPS?



2 Fundamental Steps:

- 1.** Applying for Service by submitting (to the Audit Coordinator) the *Application for Service* form and the DOV procedures and processes addressing the *DOV Specific Requirements*.
- 2.** Requesting audits by USDA for the DOV program.

WHAT ARE THE DOV BASICS?



Application for Service

1. The first step in DOV participation is submission of the *Application for Service* along with the entity's DOV verifiable written procedures as required by the *DOV Specific Requirements*. Most entities already have domestic origin verification procedures in place.
2. The *DOV Quick Guide* is a tool for applicants to use to quickly review the requirements of the DOV Specific Requirements.

WHAT ARE THE DOV BASICS?



Application for Service

- 3. The entity's DOV program is assessed based on the documented procedures and processes submitted. An auditor works with the applicant to shore up areas that are unclear or need additional information prior to the On-site Validation Audit.**

DOV BASICS cont...

Validation Audits



- 1. The 2nd fundamental step is auditing by USDA.**
- 2. An On-site Validation Audit is performed by the assigned auditor after the Audit Coordinator performs the Pre-validation Assessment and deems the entity ready for on-site audit.**
- 3. An auditor conducts the audit and discusses non-conformances with the applicant.**

DOV BASICS cont...

Validation Audits



4. Written Corrective Action Requests, as necessary, are provided to the applicant. The applicant is required to submit written responses to the requests. When all the corrective actions are determined adequate, the applicant will become an *Approved DOV Program Participant*.
5. If an applicant is NOT accepted as an *Approved DOV Program Participant* it is required to submit a trace-back on every contract and commodity for the facility audited to the Processed Products Branch Inspector.

DOV BASICS cont...



Verification Audits

- 1. Verification Audits are conducted after the entity is established as an “Approved DOV Program Participant” to assure continued compliance.**
- 2. Verification Audits are required at least once a year to verify the entity’s adherence to its domestic origin verification program as identified in their procedures and processes.**

DOV BASICS cont...



Verification Audits

3. Increased frequency of Verification Audits depends on the USDA's assessment of general or specific risk of non-compliance.
 - *The main factor for risk evaluation is the risk of non-domestic product being delivered to the USDA. An entity or its suppliers, subcontractors or processors who handle non-domestic fruit, nut, or vegetable components or products that are similar to or the same as that provided to the USDA have a higher risk of delivering non-domestic product to the USDA and may require more than one audit annually.*
 - *Complaints or any reason to believe the applicant is not following its DOV procedures is also an increased risk factor.*

DOV BASICS cont...



Verification Audits

- 4. The applicant will continue participation in the DOV Audit Program if there are no deficiencies found during the audit or when adequate corrective action is taken.**

WHAT ARE THE DOV BENEFITS?



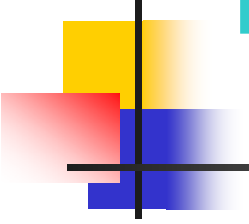
Participant Benefits

- Under DOV, trace-back for every contract is no longer needed.
- DOV participation greatly reduces the paperwork of numerous traces. It alleviates the redundancy of trace-back for the same product.

Those entities that have multiple contracts can benefit the most from the DOV Audit Program. They will no longer have to perform traces on all those contracts; instead, they will show USDA through the audit of their procedures and processes how they ensure domestic origin on the products sold to the USDA.

DOV BENEFITS cont...

Participant Benefits

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- A big benefit is that a contractor can go to the USDA Website and find out who the *Approved DOV Program Participants* are. It helps contractors ensure that their suppliers can meet the domestic origin requirement prior to buying from them.
 - It definitely helps the contractor more easily meet the domestic origin requirement if they and all their suppliers are Approved DOV Program Participants and are listed on the website. The contractor will be able to look at the website, and obtain the DOV certificate from the supplier. The contractor may want to make DOV a requirement of purchase.

DOV BENEFITS cont...



Participant Benefits

- DOV is proactive and comprehensive whereas trace-back is after-the-fact. DOV is a better process because it enhances the front end of the process to help ensure fewer problems after delivery. It is a program to prevent domestic origin problems before they happen.

THE DOV BASICS CONT...



Cost to Participant

- 1. Billed by the hour. Rate is \$75.00 an hour and includes:**
 - Entity's DOV Program Pre-validation assessment
 - Validation Audit/related follow-up
 - Auditor Travel
 - Administrative Fee – 2 hrs.

- 2. Estimated charges for a less complex entity is 10 hours and more complex is 32 hours.**



SUMMARY

- **DOV improves the way domestic origin can be verified.**
- **DOV is an audit based program and is an option to the current trace-back requirement.**
- **Approved DOV Program Participants may be listed on the Commodity Procurement Branch, Processed Products Branch, and Fresh Products Branch Website.**



SUMMARY

- **DOV participation decreases paperwork, trace-backs, and redundancy.**
- **Any entity can participate – contractor, subcontractor, supplier, or processor.**
- **DOV participation enhances the management of domestic origin verification.**



RESOURCES

Complete DOV Audit Program Information
Available at:

<http://www.ams.usda.gov/fv/ppb/html>

- Application for Service
- DOV Audit Program General Policies and Procedures
- DOV Specific Requirements
- DOV Quick Guide
- Audit Report form
- List of *Approved DOV Program Participants*



INFORMATION

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